

Hunter Declaration

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
WICHITA FALLS DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MILLENNIUM BANK,
UNITED TRUST OF SWITZERLAND S.A.,
UT of S, LLC,
MILLENNIUM FINANCIAL GROUP,
WILLIAM J. WISE,
d/b/a STERLING ADMINISTRATION,
d/b/a STERLING INVESTMENT SERVICES,
d/b/a MILLENNIUM AVIATION,
KRISTI M. HOEGEL, a/k/a KRISTI M. CHRISTOPHER,
a/k/a BESSY LU,
JACQUELINE S. HOEGEL, a/k/a JACQUELINE S. HOEGEL,
a/k/a JACKIE S. HOEGEL,
PHILIPPE ANGELONI, and BRIJESH CHOPRA,

Defendants,

and

UNITED T OF S, LLC, STERLING I.S., LLC,
MATRIX ADMINISTRATION, LLC,
JASMINE ADMINISTRATION, LLC, LYNN P. WISE,
DARYL C. HOEGEL, RYAN D. HOEGEL, and
LAURIE H. WALTON,

Relief Defendants.

Case No.:

DECLARATION OF KEITH J. HUNTER

I, Keith J. Hunter do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and that I am competent to testify as to the matters stated herein:

1. I am over 21 years of age. I am employed by the United States Securities and Exchange Commission (“Commission”) as a staff accountant and have been employed in this capacity since April 1999. Prior to joining the Commission, I was previously employed by the United States Attorney’s Office for the Northern District of Texas as an Investigative Auditor from September 1991 to April 1999. I am a certified public accountant (License# 54262), licensed by the Texas State Board of Public Accountancy.

2. As a staff accountant with the Commission, my responsibilities include review of public company financial statements for compliance with Generally Accepted Accounting Principles, as well as review of independent audit workpapers for compliance with Generally Accepted Auditing Standards. I also analyze financial records of non-public corporations, partnerships, and individuals. This process involves tracing financial transactions to determine their disposition and how those transactions occurred. Finally, I summarize such information into various schedules and charts, and testify to such at hearings and trials.

3. I became involved in a Commission investigation into Millennium Bank (“Millennium”) on or about March 3, 2009 to analyze various bank account activity involved in the unregistered offering of bogus “high-yield” certificates of deposit (“CDs”) by Millennium and its parent company, United Trust of Switzerland, S.A. (“United Trust of Switzerland”), also known as UT of S, LLC (“UT of S”). Millennium, located in the West Indies islands of St. Vincent and the Grenadines (“SVG”), marketed its CD’s on Millennium’s website at www.mlnbank.com, and through various internet banner ads and lavish lifestyle magazines with interest rates of 7% to 8%. However, according to hand-written comments on investor checks obtained by the staff, Millennium also offered interest rates ranging from 6.75% to 10%. These CDs were primarily offered by Millennium’s two principals, recidivists William J. Wise

(“Wise”) and Kristi Hoegel (“K. Hoegel”) through entities that either one or both of them control, including Millennium Bank, United Trust of Switzerland, UT of S, and Millennium Financial Group. Wise was ordered to comply with Pennsylvania state securities laws in 2003 in connection with the sale of high-yield deposit agreements. Kristi Hoegel was ordered to cease and desist from violating Minnesota securities laws in 2006.

4. My review of records relating to Millennium’s business included, but was not limited to, Millennium’s UT of S bank account (account# ending X648), maintained at JPMorgan Chase / Washington Mutual Bank (“WAMU”). This account, located in Napa, California, was opened by K. Hoegel and Jackie Hoegel in Las Vegas, Nevada, in July 2004 and has been used since at least October 2005 to receive investor funds for the purchase of purported certificates of deposit. My review consisted of a comprehensive analysis for the period October 1, 2008 through February 2009, as well as an expanded review that concentrated on locating other investor deposits, and other withdrawals to key individuals affiliated with Millennium, Wise, and K. Hoegel for the period October 2005 through September 30, 2008. I also reviewed the original and updated signature cards for this account, which indicate that Wise and K. Hoegel are current authorized account signatories, as well as the Pennsylvania and Minnesota orders, referred to above.

RECEIPT OF INVESTOR FUNDS BY THE UT OF S ACCOUNT

5. Bank statements for the UT of S account at WAMU indicate approximately \$106.6 million in deposits from July 2004 through February 2009. The Commission has been able to obtain, on an expedited basis, detailed records (deposit and withdrawal items) for a majority of the transactions for the period October 2005 through February 28, 2009 (the “review period”). Based on this review period, at least approximately \$68.6 million was identified as

investor funds raised from the offering of Millennium's CD's. Investor checks obtained by the staff typically listed "UT of S" or "United Trust of Switzerland" as the payee. The memo lines of the checks often referenced "CD," an interest rate, Millennium Bank, the name of a Millennium Bank CD salesman, and/or the term "investment."

6. These funds were raised from over 375 investors across the country – from Alaska, to Texas (including Wichita Falls, Texas), to Florida to New York, as well as from some foreign investors located in Canada and Shanghai, China. These funds appear to have been sent by investors to Millennium at its location in St. Vincent and the Grenadines, packaged offshore and then shipped to UT of S's Napa, California office via FedEx or U.S. mail. Federal Express shipping records reflect shipments to 3432 Valle Verde Dr., Napa, California from Millennium Bank. During 2008 and 2009, Wise, Jackie Hoegel, Brijesh Chopra, and Philippe Angeloni all received and/or shipped packages billed to the Millennium Bank Federal Express account. In the four month period from October 1, 2008 through February 28, 2009, UT of S, LLC paid over \$24,000 in Federal Express shipping costs.

7. Once received in Napa, a significant portion of the checks were deposited into the UT of S account via remote deposit machines from WAMU that Millennium had on-site at its office in Napa. According to WAMU, remote deposit machines are offered for purchase by WAMU and allow WAMU's customers and merchants greater flexibility in conducting their banking needs. These devices scan an investor check, causing it to be immediately deposited to the customer's (UT of S) account. According to documents obtained from WAMU, the remote deposit machines were requested by Kristi Hoegel and stationed at UT of S's office at 3432 Valle Verde Dr., Napa, California. Under the agreement with WAMU, the customer (UT of S /

Millennium) is required to properly dispose of the deposited item/check within approximately 30 days.

DISBURSEMENTS FROM THE UT of S ACCOUNT

8. During the relevant period, all investor funds appear to have been commingled in the UT of S account at WAMU, used for operating expenses of UT of S, and subsequently disbursed to Wise, K. Hoegel, Brijesh Chopra, and Philippe Angeloni; Wise and K. Hoegel's relatives; and entities Wise and K. Hoegel control. Specifically, based on my review of the bank records and other documentation, it appears that the majority of investor funds were used by, and/or transferred to the following individuals and entities (shown with approximate amounts received):

- a. Wise (including entities under his control, Sterling Administration, Sterling Investment Services, Millennium Aviation): \$12.3 million
- b. K. Hoegel: \$965,000
- c. Jackie Hoegel (K. Hoegel's mother): \$854,000
- d. Brijesh Chopra: \$90,000
- e. Philippe Angeloni: \$20,000
- f. Lynn Wise (Wise's wife): \$1.6 million
- g. Daryl Hoegel (Jackie Hoegel's husband): \$130,000
- h. Ryan Hoegel (K. Hoegel's brother): \$34,000
- i. Laurie Walton: \$323,000
- j. United T of S, LLC: \$225,000
- k. Sterling I.S., LLC: \$504,000
- l. Matrix Administration, LLC: \$476,000

- m. Jasmine Administration, LLC: \$18,000
- n. Millennium Financial Group: \$20,000
- o. United Trust of Switzerland, S.A.: \$2.6 million
- p. UT of S, LLC (operating expenses): \$1.1 million

In addition, other disbursements relating to credit cards (\$2.8 million), automobiles (\$820,000), aviation (\$870,000), and wine (\$90,000) were also identified. There may be other entities or individuals who received investor funds as well.

9. It appears that Wise directed transfers to his various business entities, namely Sterling Investment Services, Sterling Administration, and Millennium Aviation. Approximately \$2.6 million was transferred to United Trust of Switzerland and approximately \$6.6 million was transferred to or for the benefit of Sterling Investment Services/Sterling Administration. Of this \$6.6 million, approximately \$4.7 million was wire transferred to an entity named Caribbean Money Market Brokers, Ltd., located on the Caribbean island of Port of Spain, Trinidad. I have not been able to determine the disposition of the funds transferred to United Trust of Switzerland, Sterling Investment Services and Sterling Administration.

10. There does not appear to be any withdrawals from the account to properly invest all of the identified investor funds. Exhibit 1 to this declaration is a summary overview of the UT of S account that I prepared, which identifies disbursements to Wise, K. Hoegel, and other persons affiliated with Millennium, namely, the Defendants and Relief Defendants.

11. Exhibit 1 also identifies approximately \$3 million in payments back to investors from October 2008 through February 2009, representing an investment "return" on the CD or a purported maturity redemption of the CD. However, given that little or no investment activity

was ever conducted out of this account, it appears such payments represent Ponzi payments from other investors, an example of which is discussed below.

POSSIBLE PONZI PAYMENTS TO INVESTORS

12. On December 23, 2008, the checks of three investors from Maryland (\$50,000), Oregon (\$15,000), and San Francisco (\$20,000) were deposited into the UT of S account. The balance in this account prior to these deposits was \$1,937.08. After the receipt of these deposits, the following withdrawals were made from the account.

- \$26,254.99 to other investors
- \$12,000.00 to Lynn Wise
- \$ 6,675.00 to Laurie Walton (affiliated with William Wise)
- \$20,000.00 to Sterling I.S., LLC
- \$10,140.89 to Old World Provisioning, LLC
- \$ 5,313.39 to various credit card companies
- \$ 131.91 to FedEx
- \$ 75.00 to Reginald Sharpe
- \$ 2,401.16 to Illegible / Global Group

13. After these withdrawals, the account reflected a balance of \$3,944.74. Thus, as outlined above, it does not appear that the funds from these investors in Maryland, Oregon, and San Francisco were ever invested. The disposition or purpose of the \$20,000 to Sterling I.S., LLC, Wise's company, is unknown.

14. In summary, UT of S's bank records establish the following: (1) there is no evidence that all investor funds were used for legitimate banking or investment activities; (2) investor funds were commingled in the account; (3) money movement in the WAMU account

included transfers to/from each of the Defendants, linking all of them to the scheme; (4) millions of dollars of new investor monies were used to make apparent Ponzi payments to earlier investors; (5) each of the individual Defendants diverted investor funds for their personal use (totaling approximately \$14.2 million); (6) each of the Relief Defendants received from tens of thousands to millions of dollars of investor funds (totaling approximately \$3.3 million) for no apparent consideration; and (7) investor funds were also used to pay at least \$2.8 million in credit card expenses, \$820,000 in auto expenses, \$870,000 in aviation expenses, and \$90,000 in wine expenses (totaling approximately \$4.6 million).

Executed this 23rd day of March, 2009.



Keith J. Hunter, C.P.A.

Exhibit

1

Bank Account Summary Overview

Case Name: Millennium Bank (FW - 03366)
Bank Name: JPMorgan Chase / Washington Mutual
Account Name: UT of S, LLC
Account #: 983949648
Period: October 2005 - February 2009

Investor Deposits:

Investor Deposits	\$68,624,772
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Withdrawals by Defendants and Relief Defendants:**Defendants:**

William J. Wise	(\$5,676,373)	
Sterling IS d/b/a Sterling Investment Services	(\$1,079,000)	
Sterling Administration	(\$813,000)	
Caribbean Money Market Brokers - Sterling Administration	(\$4,752,000)	
Millennium Aviation (Base Ops)	(\$70,000)	(\$12,390,373)
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Kristi M. Hoegel	(\$965,626)	
Jacqueline S. Hoegel	(\$854,254)	
Brijesh Chopra	(\$90,000)	
Millennium Financial Group	(\$20,145)	
Philippe Angeloni	(\$20,000)	
United Trust of Switzerland S.A.	(\$2,690,578)	
Total Withdrawals by Defendants:		(\$17,030,975)

Relief Defendants:

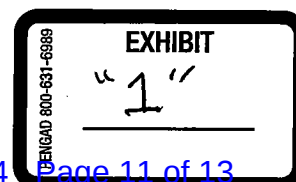
United T of S, LLC	(\$225,600)	
Sterling I.S., LLC	(\$504,300)	
Matrix Administration, LLC	(\$476,405)	
Jasmine Administration, LLC	(\$18,000)	
Lynn P. Wise	(\$1,683,500)	
Daryl C. Hoegel	(\$130,825)	
Ryan D. Hoegel	(\$34,950)	
Laurie Walton	(\$323,120)	
Total Withdrawals by Relief Defendants:		(\$3,396,700)

Other Notable Withdrawals:

Potential Investor Returns (Oct. 2008 - Feb. 2009)	(\$3,029,729)	
Millennium Trust	(\$1,237,206)	
Autos	(\$823,582)	
Aviation	(\$877,891)	
Cash	(\$33,681)	
Credit Card	(\$2,885,420)	
Wine	(\$92,433)	
Shipping	(\$24,206)	
Total Other Notable Withdrawals:		(\$9,004,148)

Net Difference (withdrawals not yet identified by the staff)

\$39,192,948



Attestation



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

I HEREBY ATTEST

that:

A diligent search has this day been made of the records and files of this Commission and the records and files do not disclose, that any registration statement has been received in this Commission under the names Millennium Bank, United Trust of Switzerland S.A. or UT of S. LLC, pursuant to the provisions of any of the Acts administered by the Commission.

on file in this Commission
March 20, 2009

(Date)

A handwritten signature in cursive script, reading "Larry Mills".

Larry Mills
Records Officer

It is hereby certified that the Secretary of the U.S. Securities and Exchange Commission, Washington, D.C., which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission, and all records and files created or established by the Federal Trade Commission pursuant to the provisions of the Securities Act of 1933 and transferred to this Commission in accordance with Section 210 of the Securities Exchange Act of 1934, and was such official custodian at the time of executing the above attestation, and that he/she, and persons holding the positions of Deputy Secretary, Assistant Director, Records Officer, Branch Chief of Records Management, and the Program Analyst for the Records Officer, or any one of them, are authorized to execute the above attestation.

For the Commission

A handwritten signature in cursive script, reading "Elizabeth M. Murphy".

Secretary

SEC 334 (10/07)